

## REMARKS

Claims 21-33 are pending in this application.

In the Office Action, the Examiner objected to the drawings because they include the reference ST16 in Figure 2(b) which is not described in the specification. Applicants have amended the specification to add a reference to step ST16.

The Examiner objected to the specification because of certain drawing references. Appropriate amendments have been made to the specification.

The Examiner provisionally rejected claims 21-33 under the judicially created doctrine of obviousness-type double patenting. In response, without conceding the correctness of her assertion, but solely to advance the prosecution of the present application, Applicant is submitting herewith a Terminal Disclaimer. Withdrawal of the provisional double patenting rejection is respectfully requested.

The Examiner rejected claims 21-33 under 35 U.S.C. § 102 as being anticipated by Sugimoto (US Patent No. 4803349). Applicant respectfully traverses the rejection.

The present invention as claimed in claim 21 concerns a magnetic card transaction device that prevents a magnetic head that has been illegally installed outside of a card slot from reading a card without authorization when the card is being inserted into the device and removed. The present invention is explained, by way of example, with reference to FIG. 1 and 5. According to the invention, the card transaction device monitors the output of a detector such as a magnetic head to detect two conditions. The first condition is detected when the magnetic card is inserted. The second condition is detected when the output of the detector is reduced to substantially zero or is lowered indicating that the card has slowed down or come to a stop such as when the card rests against a shutter 9 (see FIG. 1). After the second condition is detected, the transferring mechanism such as transferring rollers 11 are driven to take in the card.

When the second condition is detected, the smooth flow of the card has been interrupted. Thus, such a novel feature prevents an illegally installed magnetic head outside the card slot from fully reading the card. This advantageous feature is recited in claim 21 as “**a detector that detects . . . a second condition wherein the output of the detector is reduced to substantially zero or is lowered**, wherein after the detector detects the second condition, the card transferring mechanism is driven to take in the

magnetic card”.

By contrast, the inlet sensor 3 of Sugimoto at best can only detect a first condition of detecting the presence of the card. Specifically, the output of the sensor 3 is either actuated (on) or unactuated (off) depending on whether the card is present or not (see col. 2, lines 15-16). However, there is no way for the Sugimoto device to monitor the decreasing output of the sensor 3 (second condition). Therefore, Sugimoto fails to disclose the detection of a second condition as recited in claim 21.

The Examiner stated that the magnetic head 7 of Sugimoto corresponds to the detector 7 of the present invention. Applicant respectfully disagrees. In Sugimoto, the magnetic head 7 is positioned inside the transferring mechanism 61, not before as required by claim 21. Thus, it is impossible for the magnetic head 7 to detect a second condition because the transferring mechanism 61, 62 has already been activated by the time the magnetic head starts reading data of the card. In the present invention of claim 21, however, the detection of the second condition occurs before the transferring mechanism is activated.

For claim 23, it recites “a detector that detects that the magnetic card comes **in contact with the shutter**”. However, the inlet sensor 3 of Sugimoto only detects the **presence of the card**, not whether the card is “in contact” with the shutter. (See col. 2, lines 15-16). If the Examiner disagrees, Applicant respectfully requests the Examiner to point out specifically where the detection of contact with the shutter is discussed in the Sugimoto reference.

For claim 27, it recites “a detector that detects that the magnetic card arrives at the card transferring mechanism”. The Examiner stated that the sensor 5 senses the arrival of the card at the card transferring mechanism. Applicant respectfully disagrees. The sensor 5 of Sugimoto is far removed from the transferring mechanism 61, 62. It appears that the sensor 5 only senses the additional push of the card by the user (see col. 2, lines 21-24), and not the arrival of the card at the transferring mechanism. Thus, Sugimoto does not detect the arrival of the card at the card transferring mechanism as recited in claim 27.

For claim 27, Applicant submits that for the similar reasons as discussed above, claim 27 is also patentable.

Dependent claims 22, 24-26, 28 and 30-33 are also patentable by virtue of their

dependency from independent claims 21, 23, 27 and 29.

Based upon the above amendments and remarks, applicants respectfully request reconsideration of this application and its early allowance. Should the Examiner feel that a telephone conference with applicants' attorney would expedite prosecution of this application, the Examiner is urged to contact him at the number indicated below.

Respectfully submitted,

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